IN THE SENATE

SENATE BILL NO. 1093

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT
RELATING TO PAYDAY LOANS; AMENDING SECTION 28-46-402, IDAHO CODE
TO PROVIDE THAT A LENDER THAT IS NOT A SUPERVISED FINANCIAI
ORGANIZATION MAY NOT DEPOSIT A CONSUMER'S CHECK, WITHDRAW
FUNDS ELECTRONICALLY FROM A CONSUMER'S ACCOUNT OR OTHERWISE
COLLECT THE PRINCIPAL OF, INTEREST ON, OR ANY FEES OR CHARGES
FOR, A LOAN SUBJECT TO THIS PART IF AT THE TIME THE LENDER MAKES
THE LOAN, THE LENDER DOES NOT HAVE A CURRENT AND VALID LICENSE
TO MAKE LOANS IN THIS STATE; AND DECLARING AN EMERGENCY.

- Be It Enacted by the Legislature of the State of Idaho:
- SECTION 1. That Section 28-46-402, Idaho Code, be, and the same is hereby amended to read as follows:
- 28-46-402. LICENSE REQUIRED. (1) No person shall engage in the business of payday loans, offer or make a payday loan, or arrange a payday loan for a third party lender in a payday loan transaction without having first obtained a license under this chapter. A separate license shall be required for each location from which such business is conducted.
- (2) Any "supervised financial organization," as defined in section 28-41-301(45), Idaho Code, or any person organized, chartered, or holding an authorization certificate under the laws of another state to engage in making loans and receiving deposits, including a savings, share, certificate, or deposit account and who is subject to supervision by an official or agency of the other state, shall be exempt from the licensing requirements of this section.
- (2) of this section may not deposit a consumer's check, withdraw funds electronically from a consumer's account or otherwise collect the principal of, interest on, or any fees or charges for, a loan subject to this part if at the time the lender makes the loan, the lender does not have a current and valid license to make loans in this state.
- SECTION 2. An emergency existing therefor, which emergency is hereby declared to exist, this act shall be in full force and effect on and after its passage and approval.